



# ENERGY ASSURANCE DAILY

Thursday Evening, October 25, 2012

## *Electricity*

---

### **East Coast Utilities Begin Early Storm Preparations for Hurricane Sandy**

Utilities along the U.S. East Coast have begun early preparations for the possibility of storm-related power outages from Hurricane Sandy, which today was moving north toward the Bahamas with winds of 105 miles per hour. The storm may hit anywhere from the Mid-Atlantic States starting October 28 to southern New England later in the week. Some forecasters expect the storm to develop into a hybrid between a tropical storm and a nor'easter as it approaches. A spokeswoman for Pepco told Bloomberg News that nine mid-Atlantic power companies held their first conference call yesterday to discuss how crews will be dispatched to the hardest-hit areas. Jersey Central Power & Light said it had placed employees on alert and is prepared to mobilize employees and resources where needed, and Baltimore Gas & Electric also said it was preparing for the possibility of outages late this weekend and into early next week.

<http://www.bloomberg.com/news/2012-10-25/u-s-east-from-washington-to-nyc-at-risk-from-hurricane-sandy.html?cmpid=yhoo>

[https://www.firstenergycorp.com/content/fecorp/newsroom/news\\_releases/jcp-1-monitors-hurricane-sandy.html](https://www.firstenergycorp.com/content/fecorp/newsroom/news_releases/jcp-1-monitors-hurricane-sandy.html)

<http://www.bge.com/Tropical%20Storm%20Sandy%20Prep%20Release%201%20-%202010.24.12.pdf>

### **Substation Problem Knocks Out Power to 28,000 SCE Customers in Southern California October 24**

Southern California Edison (SCE) reported a problem at a substation caused about 28,000 customers in Southern California to lose power at around 9:00 p.m. local time Wednesday. The utility restored power to nearly 15,000 customers in about 20 minutes, with the remainder fully restored by 10:30 p.m.

<http://latimesblogs.latimes.com/lanow/2012/10/thousands-without-power-montebello-to-hollywood.html>

### **Update: PSE&G's 1,096 MW Salem Nuclear Unit 1 in New Jersey at Full Power by October 25**

Public Service Enterprise Group, Inc. (PSE&G) on Thursday brought its Salem nuclear Unit 1 up to full power, after reducing the unit earlier this week to accommodate a scheduled transmission line outage in the area. On the morning of October 24 the unit was operating at 87 percent.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2012/>

### **APS's 1,247 MW Palo Verde Nuclear Unit 3 in Arizona Shut by October 25**

On the morning of October 24 the unit was operating at full power.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2012/>

### **LCRA Restarts Its 460 MW Fayette Coal-Fired Unit 3 in Texas October 23 after Boiler Tube Repairs**

The Lower Colorado River Authority (LCRA) reported its Fayette Unit 3 was originally scheduled on October 21 to restart following a maintenance outage to repair ruptured boiler tubes, but was delayed until October 23, according to a filing with the Texas Commission on Environmental Quality. The tube ruptures were discovered on October 18, when operators immediately shut the unit to avoid further damage. Emissions related to startup procedures were expected to continue for 24 hours.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=175262>

## **Dynegy's 510 MW Moss Landing Natural Gas-Fired Unit 2 in California Reduced by October 24**

The unit entered an unplanned curtailment of 260 MW.

<http://content.aiso.com/unitstatus/data/unitstatus201210241515.html>

## **Inland Empire Energy Center's 366 MW Inland Empire Natural Gas-Fired Unit 2 in California Returns to Service by October 24**

The unit returned from an unplanned curtailment of 196 MW that began by October 22.

<http://content.aiso.com/unitstatus/data/unitstatus201210241515.html>

<http://content.aiso.com/unitstatus/data/unitstatus201210221515.html>

## **Update: NRG Energy, SunPower Energize First 22 MW of 250 MW California Valley Solar Ranch**

NRG Energy, Inc. and SunPower Corp. on Tuesday announced the first 22 MW of the 250 MW California Valley Solar Ranch (CVSR) were delivered to the electrical grid. Located in southeastern San Luis Obispo County, CVSR is expected to be fully online by December 2013. Once completed, NRG and SunPower will jointly operate and maintain CVSR for two years, after which NRG assumes sole responsibility. Electricity from CVSR is being sold to Pacific Gas & Electric through 25-year power purchase agreements.

[http://phx.corporate-ir.net/phoenix.zhtml?c=121544&p=irol-newsArticle\\_Print&ID=1749636](http://phx.corporate-ir.net/phoenix.zhtml?c=121544&p=irol-newsArticle_Print&ID=1749636)

## **Wind Power Briefly Surpasses Hydro for the First Time Ever in the U.S. Northwest Region**

Last Tuesday morning, wind farms connected to the Bonneville Power Administration's transmission network hit a new generation record of 4,289 MW and, for the first time, exceeded the output of the federal hydroelectric system. The record occurred in part because the BPA had dialed down hydro generation because demand was light, but it is also a reflection of the surge of new wind power on the Columbia Plateau, including the connection this year of two phases of the Shepherd's Flat wind farm, as well as Puget Sound Energy's Lower Snake Wind farm in southeast Washington, which together added 923 MW this year to the region's wind fleet.

<http://www.ktvz.com/Wind-power-briefly-exceeds-Northwest-hydro-power/-/v6ira8z/-/index.html>

[http://www.oregonlive.com/environment/index.ssf/2012/10/wind\\_power\\_surpasses\\_hydro\\_for.html](http://www.oregonlive.com/environment/index.ssf/2012/10/wind_power_surpasses_hydro_for.html)

## ***Petroleum***

---

### **External Power Dip Affects Units at Phillips 66's 139,000 b/d Wilmington, California Refinery October 24; Units Back Online by October 25**

Phillips 66 on Thursday said the units affected by a recent power dip were back online at its Wilmington refinery.

An external power dip affected a few units at the refinery on Wednesday.

Reuters, 11:19 October 25, 2012

### **Update: State Officials Call for Enforcement Action after October 19 Hydrocarbons Release from Coker Unit at ExxonMobil's 238,600 b/d Joliet, Illinois Refinery**

Illinois regulators on Wednesday announced they have asked the Illinois Attorney General to take enforcement action against ExxonMobil Corp. after an October 19 incident at the company's refinery in Joliet shot an airborne oil mist as far as four miles away. A buildup of pressure at a coker unit caused the release of coker gas oil, distillate, and naphtha into the air, according to officials. The coker unit was shut down.

<http://heraldnews.suntimes.com/news/15941035-418/epa-wants-investigation-of-exxonmobil-refinery-incident.html>

### **Update: Delta Expects Its 185,000 b/d Trainer, Pennsylvania Refinery to Reach Full Production in First Quarter of 2013**

Delta Air Lines on Wednesday said it expects its Trainer refinery to be at full production in the first quarter of 2013. Delta subsidiary Monroe Energy owns the refinery and has been working to reconfigure parts of the plant to increase the production of jet fuel to about 50,000 b/d, while reducing the production of other transport fuels like gasoline.

Monroe began producing jet fuel in late September.

Reuters, 15:15 October 24, 2012

## **Shell Reports Unspecified Release at Its 329,800 b/d Deer Park, Texas Refinery October 24**

Shell Oil Co. reported a release of an unspecified substance at its Deer Park refinery on Wednesday, according to a message on a community information line. The release had been contained, the message said.

Reuters, 16:24 October 24, 2012

## **Update: White Cliffs Pipeline Completes Successful Open Season for 80,000 b/d Expansion Project to Increase Crude Shipments from Colorado to Oklahoma**

White Cliffs Pipeline, LLC (WCPL), a partially owned subsidiary of SemGroup Corporation, today announced that it has received sufficient binding shipper commitments during its recent open season to move forward with its proposed WCPL Expansion Project, which is intended to provide 80,000 b/d of additional crude oil transportation service on its White Cliffs Pipeline from Platteville, Colorado, to Cushing, Oklahoma. The White Cliffs Pipeline currently transports 70,000 b/d of crude oil from the Denver Julesburg Basin to the Cushing hub. Pending regulatory approvals, the WCPL expansion is anticipated to be in service in the first half of 2014.

<http://ir.semgroupcorp.com/file.aspx?IID=4135511&FID=14808371>

## **Update: Utah Upholds Permit for U.S. Oil Sands Inc.'s Proposed PR Springs Oil Sands Mine in Eastern Utah**

Utah's Water Quality Board on Wednesday voted to uphold prior regulatory approval of U.S. Oil Sands Inc.'s proposed PR Springs Mine, a project to develop oil sands in Utah's Book Cliffs, marking the United States' first commercial oil sands project. The new plant will produce 2,000 b/d of petroleum product from oil sands by 2013, in the start of what could grow into a larger operation. Environmental groups had appealed the state Division of Water Quality's finding that U.S. Oil Sands Inc. does not need to obtain a groundwater discharge permit because the company presented evidence demonstrating little water exists in the area.

<http://www.csmonitor.com/Environment/Energy-Voices/2012/1024/Utah-OKs-first-US-oil-sands-project>

<http://www.deseretnews.com/article/765613645/Water-board-backs-oil-sands-project.html>

## **Natural Gas**

---

### **Update: DCP Midstream Opens First Segment of 200,000 b/d Sand Hills NGL Pipeline from the Eagle Ford Shale to the Mont Belvieu Market in Texas**

DCP Midstream on Wednesday announced that Sand Hills Pipeline has initiated service from the Eagle Ford Shale, providing incremental natural gas liquids (NGLs) transportation services to the Mont Belvieu market for Permian Basin producers. Sand Hills will consist of approximately 720 miles of 20-inch pipeline with an initial capacity of more than 200,000 b/d, which can grow to 350,000 b/d with the installation of additional pump stations. DCP is opening Sand Hills in phases, with this first segment in South Texas currently online and the second phase expected to go into service by the second quarter of 2013.

<https://www.dcpmidstream.com/pdf/DCP%20Midstream%20Announces%20Opening%20of%20Sand%20Hills%20Pipeline%20Providing%20NGL%20Access%20from%20the%20Eagle%20Ford%20Shale.html>

## **Other News**

---

### **Westinghouse Selects McAfee Security Platform to Address Threats to Nuclear Power Plant Control Systems**

Westinghouse Electric Company and McAfee on Wednesday announced that the two companies have entered into an agreement in which Westinghouse will provide McAfee Enterprise Security Manager and Network Intrusion Prevention Systems to currently operating nuclear power plants having digital control systems and new plants under construction around the world. The agreement enables Westinghouse to offer its customers stronger attack detection and prevention capabilities through security information and event management, and intrusion prevention specifically designed to address architectural and threat concerns to nuclear power plant control systems.

<http://onlinepressroom.net/westinghousenuclear/>

## Algae Biofuel Not Sustainable Now – U.S. National Research Council

The U.S. National Research Council on Wednesday published a report that finds biofuels made from algae cannot at this time be made on a large scale without using unsustainable amounts of energy, water, and fertilizer. The council has stressed its findings should not be interpreted as a definitive rejection of algal biofuels, but as a recognition that they may not be ready to supply even 5 percent of U.S. transportation fuel needs.

Reuters, 18:45 October 24, 2012

## International News

---

### Update: Delays Extended on Exports of Nigeria's Forcados Crude Oil Due to Damaged Pipelines – Traders

Delays on exports of Nigeria's Forcados crude oil have been extended from 5 to 10 days after damage to pipelines caused by suspected oil theft, trade sources said on Thursday. Royal Dutch Shell Plc on October 19 declared force majeure on exports of Nigeria's Bonny and Forcados crude grades, cutting about 20 percent of the country's exports, due to damage caused by oil thieves and flooding affecting a third party supplier it did not identify.

Reuters, 10:56 October 25, 2012

### Attackers Blow Up Natural Gas Pipeline in Eastern Syria October 24

Unidentified attackers blew up a Syrian natural gas pipeline in the eastern province of Hasakeh on Wednesday, the Syrian Observatory for Human Rights said.

<http://www.dailystar.com.lb/News/Middle-East/2012/Oct-24/192585-gas-pipeline-blown-up-in-eastern-syria-activists.ashx#axzz2AJz0TFMi>

## Energy Prices

---

U.S. Oil and Gas Prices			
October 25, 2012			
	Today	Week Ago	Year Ago
<b>CRUDE OIL</b>			
<b>West Texas Intermediate U.S.</b>	85.66	92.19	93.00
\$/Barrel			
<b>NATURAL GAS</b>			
<b>Henry Hub</b>	3.43	3.24	3.61
\$/Million Btu			

Source: Reuters

## Links

---

***This Week in Petroleum*** from the U.S. Energy Information Administration (EIA)

<http://www.eia.gov/oog/info/twip/twip.asp>

Updated every Wednesday.

***Weekly Petroleum Status Report*** from EIA

[http://www.eia.gov/oil\\_gas/petroleum/data\\_publications/weekly\\_petroleum\\_status\\_report/wpsr.html](http://www.eia.gov/oil_gas/petroleum/data_publications/weekly_petroleum_status_report/wpsr.html)

Updated after 10:30 AM and 1:00 PM Eastern Time every Wednesday.

***Natural Gas Weekly Update*** from EIA

<http://www.eia.gov/oog/info/ngw/ngupdate.asp>

Updated after 2:00 PM Eastern Time every Thursday.

## ENERGY ASSURANCE DAILY

*Energy Assurance Daily* provides a summary of public information concerning current energy issues. Published Monday through Friday to inform stakeholders of developments affecting energy systems, flows, and markets, it provides highlights of energy issues rather than a comprehensive coverage. *Energy Assurance Daily* is updated online Monday through Friday after 5:00 PM Eastern Time. For more information, visit the Infrastructure Security and Energy Restoration (ISER) website at:

<http://www.oe.netl.doe.gov/ead.aspx>

Please direct comments and questions to: [ead@oe.netl.doe.gov](mailto:ead@oe.netl.doe.gov)